



**STATE OF CONNECTICUT**  
**DEPARTMENT OF CONSTRUCTION SERVICES**



Testimony in Support of Raised Senate Bill 1056  
An Act Streamlining Certain Processes At The Department of Construction Services  
Concerning Construction Manager-At-Risk Project Delivery Contracts, The Hiring of  
Consultants and Contracts for The Installation of Prefabricated Buildings

**Government Administrations & Elections Committee**  
**March 25, 2013**

Section 1 of Raised Bill 1056 would make some much needed changes to our Construction Manager-At-Risk ("CMR") statute, C.G.S. 4b-103, that would allow for project completion in a more cost effective and timely manner.

A CMR project cannot proceed to the actual construction work, except for the limited project elements of demolition and site work, until all project element bids are received and awarded, and a Guaranteed Maximum Price (GMP) has been determined. Subsection (c) of Section 1 would add to the list of project elements eligible for early work authorization prior to the determination of the GMP. Allowing additional early work to the building exterior prevents weather intrusion and subsequent damage to the building interior, and provides for optimal use of construction seasons. The proposed legislation will assist the state and the CMR, further, in developing and maintaining compressed construction schedules where necessary for time-sensitive planned future use of the building.

A number of DCS construction projects involve renovations and additions to an existing facility that will remain occupied during the construction period. Current examples of such projects are Eli Whitney and Wilcox Technical High Schools. The work is done in phases in order to accommodate the continuation of classes and school programs during the entire construction time period. Phasing a project extends the duration of construction up to four years. Requiring all bids be awarded and a single GMP be determined at commencement of construction places a difficult burden on bidders to estimate accurately the costs of materials, insurance and bond costs, and labor rates, two, sometimes three, years into the future. This has the adverse effects on state projects of limited the number of bidders and receiving higher than estimated bids by those who choose to bid the project in order to hedge against extraordinary escalation of costs. The proposed legislation would allow the project to bid, and the GMP established, in phases for building that will be occupied during the construction period. This will encourage a greater number of bids at each phase of the work, and greater reliability in the numbers bid.

Section 2 proposes to clarify the intent of the consultant on-call statute, C.G.S. 4b-51, that it includes the use of certain on-call consultants and consultant contracts on multiple projects under a special program of construction of new buildings, or renovations of existing buildings under the auspices and authority of a single client agency.

**Spoken**  
**3/25/13**

In the interest of providing flexibility and an efficient method of procuring professional design and other consultant services, DCS clarifies that the statute encompasses the authority to enter into on-call contracts with consultants whose assignments will be limited to a program with various projects that involve a single client agency and consist of the construction of new buildings or renovations to existing buildings.

As is the policy for other DCS on-call contracts, the on-call contract dedicated for a single agency's program will stipulate a maximum amount for the aggregate value of all task letters issued pursuant to the on-call contract and a period of years for the contract term.

This clarification to the statute will affirm that DCS may use on-call contracts and task letters issued pursuant to the on-call contracts for this purpose, instead of being required to use a fixed fee consultant contract for each project. This method of procuring design professional services for multiple projects is a more time efficient method.

The DCS project manager responsible for military department projects has indicated that the inability to procure design professional services without delay could be detrimental to our state's ability to obtain federal funding for a program that covers numerous projects under the care and control of that agency. Federal funds must be committed within a specific federal fiscal year.

This clarification has the potential for DCS and the State military department to obtain more federal funding for Connecticut military projects in a program where states effectively compete for the funding that is available within a specific federal fiscal year.

Section 3 simply clarifies that DCS may utilize the Department of Administrative Services authority under C.G.S. 4a-66 to utilize the General Service Administration Contracts without the formal bidding procedure required under Part II of Chapter 60. Similarly to section 2, this change will allow for more efficient construction by experienced GSA-approved contractors on time-sensitive projects, particularly military projects that have strict timeliness for utilizing federal funds.

I thank the Committee for the opportunity to testify. Please feel free to contact Terrence Tulloch-Reid at (860) 713-5085 if you have additional questions.